

## STATE WATER RESOURCES DEVELOPMENT SYSTEM FINANCE COMMITTEE DRAFT CHARTER

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The State Water Resources Development System Finance Committee is being established by the Department of Water Resources to serve as a forum for discussions among DWR and the State Water Project Contractors (Contractors) and to provide a channel for recommendations to the Director of DWR concerning ~~ertain the financial processes~~ of the State Water Resources Development System (SWRDS). The scope of the Finance Committee is set out in this charter and has been mutually agreed to by the Water Contractors whose representatives have signed this charter. The establishment of the Committee and adoption of this charter are provided for in the Water Supply Contracts, as amended in 201?

DWR will continue to develop ~~at the SWP Program Control Project~~ work plan (SWP Program Work Plan) for the development and implementation of financial enhancements through the SWRDS Finance Committee. The SWRDS Finance Committee and the Chief Financial Manager (CFM) will develop SWRDS Finance Committee's financial management enhancement work plans to implement this Charter.

DWR will create and fill a position, to be a single point of authority for SWRDS finances, the Chief Financial Manager (CFM)., -A

~~n essential element of this work plan will be a comprehensive review of organizational relationships with regard to financial matters and how best to organize, within the constraints of State government, to support the development of a single point of authority for many of these financial matters, the Chief Financial Manager.~~ The CFM has the responsibility and authority throughout DWR to direct all SWRDS finances, reporting directly to the SWP Deputy Director or the DWR Director. Working with the SWRDS Finance Committee CFM, the CFM SWRDS Finance Committee will develop or enhance the finances and administrative measures required to provide comprehensive financial management of SWRDS.

Administrative enhancements will include the development and evaluation of technical committees necessary to support the SWRDS Finance Committee. The Contractors will review and align committee structures to conform to the SWRDS financial structure and eliminate any duplication of effort.

This Charter provides, among other things, that:

1. The Charter may only be modified with the mutual consent of DWR and the Contractors;
2. The Committee is charged with providing ~~financial process~~e recommendations to the DWR Director, and the DWR Director has final discretion on whether or not to accept the recommendations;
3. The Committee is to operate in cooperation with the Chief Financial Manager (once the position is established and filled). ~~who will be responsible for transmittal of the Committee's recommendations to the Director and notification to the Committee of the Director's decision;~~

#### **I. COMMITTEE PURPOSE**

The SWRDS Finance Committee shall serve as a forum for discussions among DWR and the Contractors and as a forum for Contractor input to DWR ~~regarding~~regarding SWRDS ~~financial processes~~es. The Committee shall also provide a channel for recommendations to the Director of DWR concerning SWRDS ~~financial processes~~es. The Committee will allow the Contractors to have input into ~~the~~ SWRDS ~~financial processes~~es, thereby providing DWR with the benefit of input from the Contractors that have a common interest in the continuing long-term financial viability of SWRDS.

#### **II. COMMITTEE GOALS:**

1. To provide a forum that promotes coordination, communication, and cooperation among DWR and the Contractors regarding SWRDS ~~financial financial processes~~es and reports.
2. Add approval To provide input, ~~and~~ recommendations and approval in the development and implementation ~~of of both the SWP Program Work Plan and the SWRDS Finance Committee's~~ work plans for financial enhancements.
3. To provide input and recommendations regarding DWR's ~~development and implementation of reliable financial processes and reports~~es, with the goal of providing information necessary to analyze and forecast SWRDS financial trends, activities, and fluctuations.

#### **III. COMMITTEE RESPONSIBILITIES:**

1. Providing input, recommendations, and approval regarding the progress ~~of of both the SWP Program Work Plan.~~
1. Approve and the SWRDS Finance Committee's work plans for financial enhancements. the SWRDS financial enhancement work plans. The SWRDS Finance Committee's work plans will include:

2.

- a) Written purpose of the work plan, including expected outcomes.;
- b) Goals and objectives to be met by the work plan. Objectives should be a list of tangible actions needed to meet specified goals. The goals should support the overall purpose or vision of what should be accomplished in the work plan.;
- c) Identify existing and needed resources to accomplish objectives.;
- d) Identify any constraints or obstacles to overcome.;
- e) Identify who is accountable for the various goals and objectives.;
- f) Written strategy on how resources will be used or obtained and obstacles overcome.;

1. Providing recommendations, to the Director or the Director's delegate, ~~regarding~~ regarding SWRDS the comprehensive financial processes and reportings of SWRDS. These recommendations may address the ~~financial processes~~ and reports involving, but not limited to, -the following areas:

- a) Operating budget
- b) Long-range Forecasting
- c) Assets and Capital improvements plan or program (CIP)
- d) Debt
- e) ~~(to be discussed)~~
- e) Revenue/Costs
- f) GOA
- g) SSA and SRA
- h) Accounting, auditing, and financial reporting
- i) Cash-flow

2. Periodically reviewing and providing recommendations for improvements to the SWRDS ~~financial processes-es~~ and reports.

**~~NOTE: Above item deleted because it's addressed in the item below.~~**

- ~~4.3.~~ 4.3. Reviewing and making recommendations regarding issues pertaining to SWRDS finances ~~financial processes~~ and reports as identified by technical committees, auditors, and other stakeholders.

- ~~5.4.~~ 5.4. Reviewing and making recommendations regarding funding and uses of all 51(e) revenues including, but not limited to, the SWRDS Support Account and SWRDS Reinvestment Account.

#### IV. MEMBERSHIP AND ORGANIZATIONAL STRUCTURE:

## A. Composition

The SWRDS Finance Committee will include representatives of the Contractors and DWR.

1. All Contractors may attend meetings of the Committee; each Contractor may provide one representative or delegate to participate (the "Representatives"). From within the Contractors' representative pool, in January of each year, the Contractors shall elect five official representatives and two alternates.
2. DWR shall select five official representatives and five alternates.
3. The ten selected official representatives or alternates of the Committee shall be the Committee's ~~permanent~~ members (the "Members") and be responsible for attending all Committee meetings. The Members shall be balanced with representation for DWR and the Contractors.
4. ~~The Contractor members~~ Members may submit Committee-written Committee recommendations to the Director or to the Director's delegate responsible for the area under consideration by the Committee. If the Department representatives or the Contractor Representatives concur or have a dissenting view in with the recommendation, that fact shall be noted in the recommendation.

~~B. If the DWR members have a differing view that information may also be included in the recommendation materials. The Chief Financial Manager, after the position is established and filled, shall be responsible for transmitting the Committee recommendations to the Director or the Director's delegate and notifying the Committee of the Director's or the delegate's decision.~~

## C.B. Term

The Members will serve for a one year term, with membership appointed or renewed each year. Term will begin on January 1.

## D.C. Committee Co-Chairs

~~The Committee Chair shall be the Deputy Director (or delegate) with responsibility over SWRDS.~~

The Committee will have two co-chairs. In January of each year, the Members for DWR and the Contractors shall each appoint one of their Members as co-chair to the Committee.

## E.D. Meetings

The Committee is expected to meet as frequently as is necessary to carry out its responsibilities, but no less than two times annually, at such times and location

determined by the Committee's co-chairs. The co-chairs shall have the authority to call a meeting and shall do so upon his or her own motion or upon the request of a Contractor member of the Committee.

Prior to a meeting, the co-chair ~~chairs~~ shall prepare a written meeting agenda ~~agenda~~. Either of the Committee's co-chairs will have the authority to call a meeting or add items to the agenda.

~~F. and include items submitted by the Contractor members.~~

**G.E. Minutes**

DWR shall keep minutes of each meeting. Copies of the minutes shall ordinarily be provided to the Members and the Representatives within two weeks after a meeting.

**H.F. Committee Procedures**

The Committee may draft and adopt a set of procedures to govern the conduct of the Committee.

~~NOTE: Above item deleted because recommendation procedures are covered in section IV.A.4~~

**J.G. Amendments**

This charter may not be amended except through express written consent of both DWR and all Contractors.